LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6807
BILL NUMBER: SB 325

NOTE PREPARED: Jan 4, 2005
BILL AMENDED:

SUBJECT: Health Facility Immunizations.

FIRST AUTHOR: Sen. Server
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X **GENERAL**
DEDICATED
X **FEDERAL**

IMPACT: State

Summary of Legislation: This bill requires health facilities to immunize patients against tetanus and diphtheria.

Effective Date: July 1, 2005.

Explanation of State Expenditures: Currently, nursing facilities are required to immunize all residents for influenza and pneumacoccal disease. This bill adds tetanus and diphtheria to the list of required immunizations. The cost of this bill will be dependent upon several factors: the Medicare or Medicaid eligibility status of individuals upon admission to nursing facilities, their current tetanus/diphtheria (Td) immunization status; the cost of the Td toxoid and the administration; and how the immunization is treated in the reimbursement system.

Approximately 41,000 individuals were residing in nursing facilities in Indiana on December 31, 2003. Of these residents, approximately 67%, or 27,500 individuals, are estimated to be Medicaid recipients. Additionally, admissions to nursing facilities were approximately 57,756 in 2001, 62,234 in 2002, and 59,300 during the 2003 calendar year. The tetanus/diphtheria immunization status of individuals admitted to or residing in nursing facilities is not known.

Two possible reimbursement scenarios are reported to occur. (1) Administration of a medically necessary immunization may be treated as a billable service to Medicare or Medicaid. If the individual is Medicare-eligible or dually eligible for Medicare and Medicaid, the bill would first be sent to Medicare for payment. Medicaid would be responsible for Medicare cross-over claims and reimbursement for those Medicaid eligibles not covered by Medicare. The Centers for Disease Control (CDC) reports private sector costs of Td toxoid to

be $11.99 to $17.50 per dose. An administration charge for the injection of $7 to $23 is reported by Indiana Medicaid. (2) If the immunization is treated as a facility expense, Medicaid would ultimately pick up about 63% of the total cost in the daily rate paid to the facility.

Background: The CDC reports that tetanus is an acute, often fatal disease caused by an exotoxin produced by *Clostridium tetani*. Transmission is primarily by contaminated wounds. The wounds may be major or minor. The Centers for Disease Control reports that in recent years, a higher proportion of cases had minor wounds, probably because severe wounds are more likely to be properly managed. Tetanus may follow elective surgery, burns, deep puncture wounds, crush wounds, ear infections, dental infections, chronic wounds, and animal bites, etc. Intravenous drug users are considered to be at high risk. The CDC reports that from 1980 to 2000, 70% of reported cases of tetanus occurred in individuals over the age of 40 years. Almost all reported cases of tetanus occur in individuals who have either never been immunized, or who have completed a primary series but have not had a booster within the preceding 10 years. Td, (Tetanus diphtheria) is the recommended vaccine for adults. The CDC recommends a booster dose be given every 10 years or for wound management, especially if a booster has not been given within 5 years. There were no cases of tetanus or diphtheria reported in Indiana in 2000 or 2001. Indiana had a total of 11 reported cases of tetanus from 1990 to 1999.

Prevalence of immunity to tetanus is reported to decline with age, beginning at age 40. And 50% of persons over 60 years of age are estimated to have insufficient immunity to protect against tetanus (or diphtheria). Another source reports that immunity for tetanus declines to 28% among persons age 70 or older. The Massachusetts Department of Public Health reports that more than 50% of all the tetanus cases in the U.S. occur in persons older than 60 years of age, and 25% of these cases (or 12.5% of the total cases) are associated with chronic wounds, such as *decubiti* (pressure sores). The status of tetanus immunity in current Indiana nursing facility residents is unknown.

Medicaid is a jointly funded state and federal program. Funding for direct services is reimbursed at approximately 62% by the federal government, while the state share is about 38%. Funding for administrative services is typically shared 50/50.

Explanation of State Revenues: See *Explanation of State Expenditures* regarding federal reimbursement in the Medicaid Program.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration, Office of Medicaid Policy and Planning.

Local Agencies Affected: County-owned nursing facilities.

Information Sources: *Long Term Care 2003 County Statistical Profile and 2007 Bed Needs Assessment*, published by the Indiana State Board of Health at: http://www.in.gov/isdh/regsvcs/acc/ltcstats/2003.htm#1; *Occupancy and Utilization Case Mix Reports*, Office of Medicaid Policy and Planning at: http://www.in.gov/fssa/statistics/pdf/nursingcounty.pdf . Http://www.merck,com/mrkshared/mm_geriatrics/sec16/ch132.jsp And Guide to Clinical Preventive Services, Second Edition, Immunizations & Prophylaxis at http://www.cpmcnet.columbia.edu/texts/geps/geps0076.html. Massachusetts Department of Public Health, at http://www.mass.gov/dph/cdc/epii/flu/ltc701.htm

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